Town of White Springs, Florida

FINANCIAL STATEMENTS

September 30, 2025

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CRI CARR RIGGS & INGRAM®
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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor
And Members of the Town Council
Town of White Springs, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund information of the Town of White Springs, Florida as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Town of White Springs, Florida's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund information of the Town of White Springs, Florida, as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of White Springs, Florida, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of White Springs' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Governmental Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of White Springs, Florida's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of White Springs, Florida's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-8 and 40-41 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 1, 2026, on our consideration of the Town of White Springs, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of White Springs, Florida's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of White Springs, Florida's internal control over financial reporting and compliance

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, L.L.C.
Gainesville, FL
July 1, 2026

As management of the Town of White Springs, Florida (the "Town"), we offer readers of the Town's financial statements this narrative overview of the financial activities of the Town for the fiscal year ended September 30, 2025. We encourage readers to consider the information presented here in conjunction with the Town's financial statements which begin on page 9.

FINANCIAL HIGHLIGHTS

The Town's net position amounted to $10,412,731, which reflects a decrease of $920,661, or eight percent. This change is primarily due to operating losses in the current year. Of the $10,412,731, $3,475,668 is related to governmental activities with $2,979,056 net investment in capital assets, $271,279 is restricted for transportation expenses, and $225,333 is unrestricted. Of the $10,412,731, $6,937,063 is related to business-type activities with $6,685,753 net investment in capital assets, $217-942 is restricted for debt repayment, and $33,368 is unrestricted.

Total governmental assets amounted to $3,956,923, of which $3,015,099 is in net property, plant and equipment, $266,199 is due from the Enterprise Fund, $522,120 is cash and equivalents, and $153,505 is related to lease receivable. Deferred inflow consist of the present value of future lease receivables of $141,314. Total liabilities are $339,941, of which $317,125 will be due within the next year and $22,816 will be due after the next year.

Total business-type activities assets amounted to $8,408,938, of which $8,065,028 is in net property, plant and equipment, $271,868 is cash and equivalents, $295,207 is restricted cash, and $43,034 is related to lease receivable. Assets are decreased by an amount due to the General Fund by $266,199. Total liabilities are $1,471,875, of which $177,508 will be due within the next year, in addition to the amount due to the general fund, and $1,294,367 will be due after the next year.

The Town's total revenues were $1,498,225, which is a little more than a one percent increase from the prior year. Total expenses for the year were $2,418,886, which is a forty percent increase from prior year, mostly related to starting work on building houses related to grant funding.

The total revenues figure of $1,498,225 includes $867,254 from governmental activities, and $630,971 from business-type activities. The total expenses figure of $2,418,886 includes $1,532,501 from governmental activities, and $886,385 from business-type activities.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements are comprised of three components:

1) Government-wide financial statements.
2) Fund financial statements.
3) Notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The *government-wide financial statements* are designed to provide readers with a broad overview of Town's finances in a manner similar to a private-sector business.

The *statement of net position* presents information on all of Town's assets, liabilities, and deferred inflows with assets minus liabilities and deferred inflows reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes, accounts payable and earned but unused vacation leave).

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that are segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

Governmental funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be used in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate comparison between governmental funds and governmental activities.

The Town maintains one governmental funds for reporting purposes. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund. The Town adopts an annual appropriated budget for its general fund.

Proprietary funds (Internal Service and Enterprise Funds) – Enterprise funds are used to report business-type activities. The town maintains one enterprise fund for reporting purposes. The Town has no internal service funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets exceeded liabilities and deferred inflows by $10,412,731 at the close of the fiscal year ended September 30, 2025.

	Governmental Activities	Business-type Activities	Total Government 2025	Total Government 2024	Increase (Decrease)	Percent Change
Net position:						
Net investment in capital assets	$ 2,979,056	$ 6,685,753	**$ 9,664,809**	$ 9,980,749	$(315,940)	-3.17%
Restricted	271,279	217,942	**489,221**	465,369	23,852	5.13%
Unrestricted	225,333	33,368	**258,701**	887,274	(628,573)	-70.84%
Total net position	$ 3,475,668	$ 6,937,063	**$ 10,412,731**	$11,333,392	$(920,661)	-8.12%
Assets:						
Cash and equivalents	$ 522,120	$ 271,868	**$ 793,988**	$ 1,136,298	$(342,310)	-30.13%
Restricted cash	-	295,207	**295,207**	268,197	27,010	10.07%
Receivables	153,505	43,034	**196,539**	100,714	95,825	95.15%
Net property plant and equipment	3,015,099	8,065,028	**11,080,127**	11,454,866	(374,739)	-3.27%
Internal balance	266,199	(266,199)	**-**	-	-	0.00%
Total assets	$ 3,956,923	$ 8,408,938	**$ 12,365,861**	$12,960,075	$(594,214)	-4.58%
Liabilities:						
Current liabilities	$ 317,125	$ 177,508	**$ 494,633**	$ 222,243	$ 272,390	122.56%
Long term liabilities	22,816	1,294,367	**1,317,183**	1,404,439	(87,256)	-6.21%
Total liabilities	$ 339,941	$ 1,471,875	**$ 1,811,816**	$ 1,626,682	$ 185,134	11.38%
Deferred inflow:						
Lease receivable	$ 141,314	$ -	**$ 141,314**	$ -	$ 141,314	100.00%
Total lease receivable	$ 141,314	$ -	**$ 141,314**	$ -	$ 141,314	100.00%

The largest portion of the Town's net position reflects its investment in capital assets (e.g. land, parks, buildings, roads, and equipment) less any related outstanding debt used to acquire those assets. The Town uses these capital assets to provide services to citizens; consequently these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position represents resources that are subject to restrictions imposed externally or enabling legislation. The remaining balance of unrestricted net position is $258,701 and is available for use by the Town. The primary driver of the decrease in unrestricted net position is the current year operational loss.

CHANGES IN NET POSITION

The change in net position over time may serve as a useful indicator of a government's financial position. The net position decreased by $920,661 during fiscal year 2025.

The following schedule provides a summary of the changes in net position:

	Governmental Activities	Business-type Activities	**Total Government**		Increase (Decrease)	Percent Change
			2025	**2024**		
Revenues:						
Charges for services	$ 42,007	$ 564,221	**$ 606,228**	$ 615,598	$ (9,370)	-1.52%
Grants and contributions	101,886	$ 21,750	**123,636**	45,000	78,636	174.75%
Taxes	590,125	-	**590,125**	556,452	9,916	4.07%
State shared	71,225	-	**71,225**	83,827	(12,602)	-15.03%
Other	62,011	45,000	**107,011**	180,290	9,917	104.07%
Total revenues	$ 867,254	$ 630,971	**$ 1,498,225**	$ 1,481,167	$ 17,058	1.15%
Expenses:						
General government	$ 696,077	$ -	**$ 696,077**	$ 427,499	$ 268,578	62.83%
Public safety	206,847	-	**206,847**	216,139	(9,292)	-4.30%
Economic environment	250,661	-	**250,661**	40,461	210,200	519.51%
Transportation	295,451	-	**295,451**	215,532	79,919	37.08%
Culture & recreation	83,465	-	**83,465**	39,759	43,706	109.93%
Enterprise	-	886,385	**886,385**	772,562	113,823	14.73%
Total expenses	$ 1,532,501	$ 886,385	**$ 2,418,886**	$ 1,711,952	$ 706,934	41.29%
Change in net position	$ (665,247)	$ (255,414)	**$ (920,661)**	$ (230,785)	$(689,876)	298.93%

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Town's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

General Fund: The general fund is a major fund and the chief operating fund of the Town. At the end of fiscal year 2025, the unassigned fund balance of the general fund was $254,149, while the total fund balance was $525,428. As a measure of the general fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. The unassigned fund balance represents 37.3% of total general fund expenditures.

Proprietary Funds

The Town's proprietary funds provide the same type of information found in the government-wide business-type activities financial statements, but in more detail. The Town maintains one enterprise fund in fiscal year 2025.

CAPITAL ASSET AND LONG-TERM FINANCING ACTIVITY

Capital Assets – Net of Depreciation and Amortization

	Governmental Activities		Business-type Activities	
For the year ended September 30, 2025	2025	2024	2025	2024
Governmental Activities				
Land	$ 189,839	$ 189,839	$ 3,570	$ 3,570
Construction in Progress	-	-	29,500	-
Buildings	731,813	762,229	459,850	487,365
Infrastructure	1,944,753	2,023,622	7,518,956	7,749,392
Furniture, equipment, and vehicles	148,694	170,604	53,152	68,247
net	$ 3,015,099	$ 3,146,294	$ 8,065,028	$ 8,308,574

Additional information on the Town's capital assets can be found in Note 2.

Long-term Debt

On September 30, 2025, the Town had bonds and notes payable debt of $1,415,318. Additional information on the Town's long-term debt can be found in Note 2.

REQUEST FOR INFORMATION

The Town's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the Town's finances and to demonstrate the Town's accountability. If you have questions about the report or need additional financial information, please contact the Town at P.O. Drawer D, White Springs, Florida 32096.

Basic Financial Statements

September 30, 2025	Primary Government Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	$ 521,120	$ 271,868	$ 792,988
Deposits	1,000	-	1,000
Accounts receivables, net	-	43,034	43,034
Leases receivable	153,505	-	153,505
Internal balances	266,199	(266,199)	-
Restricted assets			
Cash and cash equivalents	-	295,207	295,207
Capital assets			
Non-depreciable	189,839	33,070	222,909
Depreciable, net	2,825,260	8,031,958	10,857,218
Total assets	3,956,923	8,408,938	12,365,861
Liabilities			
Accounts payable	270,494	13,518	284,012
Accrued liabilities	4,588	1,692	6,280
Customer deposits	-	63,444	63,444
Non-current liabilities			
Due within one year			
Compensated absences	2,352	3,486	5,838
Notes payable	20,282	75,368	95,650
Bond payable	-	20,000	20,000
Other post employment benefits	19,409	-	19,409
Due in more than one year			
Compensated absences	7,055	10,460	17,515
Notes payable	15,761	846,907	862,668
Bond payable	-	437,000	437,000
Total liabilities	339,941	1,471,875	1,811,816
Deferred Inflows of Resources			
Deferred inflows related to leases	141,314	-	141,314
Total deferred inflows of resources	141,314	-	141,314
Net Position			
Net investment in capital assets	2,979,056	6,685,753	9,664,809
Restricted for			
Debt service	-	217,942	217,942
Transportation	271,279	-	271,279
Unrestricted	225,333	33,368	258,701
Total net position	$ 3,475,668	$ 6,937,063	$ 10,412,731

The accompanying notes are an integral part of these financial statements.

For the year ended September 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services and Fines	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position – Primary Government: Governmental Activities	Business-type Activities	Total
Primary Government							
Governmental activities							
General government	$ 696,077	$ 36,791	$ -	$ -	$ (659,286)	$ -	$ (659,286)
Public safety	206,847	5,216	-	-	(201,631)	-	(201,631)
Economic environment	250,661	-	-	-	(250,661)	-	(250,661)
Transportation	295,451	-	101,886	-	(193,565)	-	(193,565)
Culture & recreation	83,465	-	-	-	(83,465)	-	(83,465)
Total governmental activities	1,532,501	42,007	101,886	-	(1,388,608)	-	(1,388,608)
Business-type activities							
Enterprise fund	886,385	564,221	-	21,750	-	(300,414)	(300,414)
Total business-type activities	886,385	564,221	-	21,750	-	(300,414)	(300,414)
Total primary government	$ 2,418,886	$ 606,228	$ 101,886	$ 21,750	(1,388,608)	(300,414)	(1,689,022)
General revenues and transfers							
Property taxes, levied for general purposes					157,182	-	157,182
Licenses and permits					48,619	-	48,619
State shared revenue					71,225	-	71,225
Sales and use tax					262,422	-	262,422
Franchise fees					42,524	-	42,524
Utility Service tax					90,225	-	90,225
Other taxes					31,677	-	31,677
Miscellaneous					19,487	45,000	64,487
Total general revenues					723,361	45,000	768,361
Change in net position					(665,247)	(255,414)	(920,661)
Net position, beginning of year					4,140,915	7,192,477	11,333,392
Net position, end of year					$ 3,475,668	$ 6,937,063	$ 10,412,731

The accompanying notes are an integral part of these financial statements.

September 30, 2025		General Fund
Assets		
Cash and cash equivalents	$	521,120
Deposits		1,000
Lease Receivable		153,505
Due from other funds		266,199
Total assets	$	941,824
Liabilities, Deferred Inflows of Resources, and Fund Balances		
Liabilities		
Accounts payable	$	270,494
Accrued payroll and related liabilities		4,588
Total liabilities		275,082
Deferred inflows of resources		
Deferred inflows related to leases		141,314
Total deferred inflows of resources		141,314
Fund balances		
Restricted for		
Transportation impact		271,279
Unassigned		254,149
Total fund balances		525,428
Total liabilities, deferred inflows of resources, and fund balances	$	941,824

The accompanying notes are an integral part of these financial statements.

Town of White Springs, Florida
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

September 30, 2025

Total fund balances - governmental funds			$	525,428
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				
Governmental capital assets	$	4,979,786		
Less accumulated depreciation and amortization		(1,964,687)		3,015,099
Long-term liabilities, including total OPEB liability, and compensated absences are not due and payable in the current period and, therefore, are not reported in the governmental funds.				
Notes payable	$	(36,043)		
Compensated absences		(9,407)		
Other postemployment benefits liability		(19,409)		(64,859)
Net position of governmental activities			$	3,475,668

The accompanying notes are an integral part of these financial statements.

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

Revenues		
Property taxes	$	584,030
Licenses and permits		48,619
Intergovernmental		173,111
Charges for services		42,007
Miscellaneous revenue		19,487
Total revenues		867,254
Expenditures		
Current		
General government		676,241
Public safety		166,221
Economic environment		210,200
Transportation		254,785
Culture & recreation		68,858
Capital outlay		10,595
Debt service		
Principal		19,475
Interest		1,971
Total expenditures		1,408,346
Net change in fund balances		(541,092)
Fund balances, beginning of year		1,066,520
Fund balances, end of year	$	525,428

The accompanying notes are an integral part of these financial statements.

Town of White Springs, Florida
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the year ended September 30,		2025
Net change in fund balances - total governmental funds	$	(541,092)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceed depreciation in the current period.		
Capital outlay		10,595
Depreciation		(141,789)
Repayment of note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		19,475
Compensated absences are reported in the statement of activities when earned. As they do not require the use of current financial resources, they are not reported as expenditures on governmental funds until they have matured. This is the amount of compensated absences reported in the statement of activities in the prior year that has matured in the current year.		6,973
Changes to the OPEB liability are reported as expenses in the statement of activities, but does not require the use of current financial resources; therefore, is not reported as an expenditure in governmental funds.		(19,409)
Change in net position of governmental activities	$	(665,247)

The accompanying notes are an integral part of these financial statements.

September 30, 2025		Enterprise Funds
Assets		
Current assets		
Cash and cash equivalents	$	271,868
Accounts receivable, net		43,034
Total unrestricted current assets		314,902
Restricted noncurrent assets		
Cash - debt service		217,942
Cash - customer deposits		77,265
Total restricted assets		295,207
Total current assets		610,109
Noncurrent assets		
Capital assets		
Non-depreciable		33,070
Depreciable, net		8,031,958
Total capital assets, net		8,065,028
Total noncurrent assets		8,065,028
Total assets	$	8,675,137
Liabilities		
Current liabilities		
Accounts payable	$	13,518
Accrued liabilities		1,692
Due to other funds		266,199
Deposits		63,444
Compensated absences		3,486
Current portion of note payable		75,368
Current portion of bond payable		20,000
Total current liabilities		443,707
Noncurrent liabilities		
Compensated absences		10,460
Note payable due after one year		846,907
Bonds payable after one year		437,000
Total noncurrent liabilities		1,294,367
Total liabilities	$	1,738,074
Net Position		
Net investment in capital assets	$	6,685,753
Restricted for		
Debt service		217,942
Unrestricted		33,368
Total net position	$	6,937,063

The accompanying notes are an integral part of these financial statements.

Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds

For the year ended September 30, 2025	Enterprise Funds
Operating Revenues	
Physical environment	
Water utility	$ 148,708
Sewer utility	232,987
Solid waste utility	154,513
Miscellaneous	28,013
Total operating revenues	564,221
Operating Expenses	
Personal services	106,195
Contractual, materials, and supplies	352,711
Insurance claims and expense	34,491
Depreciation	273,046
Repairs and maintenance	87,042
Total operating expenses	853,485
Operating income (loss)	(289,264)
Other Nonoperating Revenues (Expenses)	
Capital grants	21,750
County agreement	45,000
Interest and fiscal charges	(32,900)
Total other nonoperating revenues (expenses)	33,850
Change in net position	(255,414)
Net position, beginning of year	7,192,477
Net position, end of year	$ 6,937,063

The accompanying notes are an integral part of these financial statements.

Town of White Springs, Florida
Statement of Cash Flows – Proprietary Funds

For the year ended September 30, 2025		Enterprise Funds
Operating Activities		
Cash received from customers for sales and services	$	674,513
Cash payments to employees		(105,537)
Cash payments to suppliers for goods and services		(488,836)
Net cash provided by operating activities		80,140
Capital and Related Financing Activities		
Acquisition of capital assets		(29,500)
Proceeds for capital grants and contributions		111,750
Principal paid on note payable		(15,313)
Principal paid on bond payable		(48,323)
Principal paid on loan payable		(4,011)
Interest paid on long-term debt		(32,900)
Net cash provided by (used in) capital and related financing activities		(18,297)
Net increase (decrease) in cash and cash equivalents		61,843
Cash and cash equivalents, beginning of year		210,025
Cash and cash equivalents, end of year	$	271,868

Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities		
Operating income (loss)	$	(289,264)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation		273,046
Increase (decrease) in assets		
Accounts receivable		12,680
Increase (decrease) in liabilities		
Accounts payable		(14,592)
Accrued payroll and related liabilities		658
Customer deposits		(1,187)
Due to other funds		98,799
Total adjustments		369,404
Net cash provided by operating activities	$	80,140

The accompanying notes are an integral part of these financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of White Springs, Florida (the "Town"), was incorporated under the provisions of Chapter 165, *Florida Statutes*, and was specifically organized under and derives its power from Chapter 14451-No. 887 of the *Laws of Florida*. The current Town Code authorizes the following services: public safety, public utilities, public works, planning and zoning, sanitation, and general administrative services.

Reporting Entity

The Town is a municipal corporation governed by an mayor and four-member town council (the "Council"). The accounting policies of the Town conform to generally accepted accounting principles (GAAP) as applied to governmental units. The more significant accounting policies used by the Town are described below.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues.*

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility and timing requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the Town.

The proprietary fund is reported using the *economic resources measurement* focus and the *accrual basis of accounting*.

Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates governmental funds, while business-type activities incorporate the Town's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

The fund financial statements provide information about the Town's funds. Separate statements for each fund category—governmental and proprietary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the general government.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (continued)

During the course of operations, the Town has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Budgetary Information

Budgetary Basis of Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund. The appropriated budget is prepared by fund, function, and department. The Town's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Inflows, and Net Position or Fund Balance

Cash and Cash Equivalents

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments for the Town are reported at fair value (generally based on quoted market prices) except for the position in the State Treasurer's Investment Pool (Pool). The State Treasurer's Investment Pool meets all of the specified criteria in GASBC Section I50: *Investments* to qualify to elect to measure their investments at amortized cost. Accordingly, the value of the Town's position in the pool is equal to the value of the pooled shares.

Receivables and Payables

Allowance for doubtful accounts – Accounts receivable have been reported net of the allowance for doubtful accounts. Accounts receivable in excess of 90 days are subject to being considered as uncollectible.

Lease receivables - The Town's lease receivables are measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the Town may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

Interfund Activities and Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" within the fund financial statements. These amounts are eliminated in the governmental and business-type activities columns of the statement of net position.

Interfund transactions are reflected as services provided, reimbursements, or transfers. Services provided, deemed to be at or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when a fund incurs a cost, charges the appropriate benefitting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or business-type funds are netted as part of the reconciliation to the government-wide presentation.

Restricted Assets

Certain assets of the Town are classified as restricted assets on the statement of net position because their use is limited by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors, grantors, contributors or laws or regulations of other governments. Special restricted asset accounts have been established to account for the sources and uses of these limited use assets as follows:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Inflows, and Net Position or Fund Balance (continued)

Customer deposit accounts – Deposited in non-interest-bearing accounts and refunded upon termination of service with the Town and satisfaction of all obligations due.

Bond debt service accounts – Includes certain proceeds from issuance of revenue bonds, as well as certain resources set aside for the repayment of bonds obligations.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than $1,000 and an estimated useful life in excess of one years.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight line method over the following estimated useful lives:

Capital asset classes	Lives
Buildings and improvements	10 - 50
Machinery and equipment	5 - 14
Street and related infrastructure	20 - 40

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has one (1) item that qualify for reporting as deferred inflows of resources. The deferred inflows related to leases are associated with amounts owed to the Town, as lessor, by entities leasing the Town's capital assets.

Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Inflows, and Net Position or Fund Balance (continued)

Compensated Absences

The Town's policy permits employees to accumulate earned but unused sick and vacation benefits, which are eligible for payment upon separation from government service. Both unused vacation benefits and unused sick leave are eligible to be used while still employed by the Town. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements to the extent that the leave is attributable to employees' services already rendered and is more likely than not to be used and paid for while employed or paid for at the end of employment. For the purpose of measuring the liability, the Town assumes that leave is used on a last-in-first-out (LIFO) basis, with leave earned during the current year used before leave accumulated in prior years. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. In accordance with GASBC Section I30: *Interest Costs – Imputation*, bond issuance costs are expensed in the period incurred except for prepaid insurance costs.

In the governmental fund financial statements, bond premiums and discounts, as well as bond issuance costs, are expensed during the current period. The face amount of debt issued, and repayments are reported as other financing sources. Premiums received on debt issuances and discounts on debt issuances are reported as other financing uses.

Other Post-Employment Benefits (OPEB) Liability

For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as you-go plan and all cash is held in a cash account.

Categories and Classification of Net Position and Fund Balance

Net position flow assumption – Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Inflows, and Net Position or Fund Balance (continued)

Fund balance flow assumptions – Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.
It is the Town's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund balance policies – Fund balance of governmental funds is reported in various classifications based on the nature of any limitations requiring the use of resources for specific purposes. The Town itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The provisions of GASBC Section 1800, *Classification and Terminology*, specifies the following classifications:

Nonspendable fund balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted fund balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Town's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the Town that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned fund balance – Amounts in the assigned fund balance classification are intended to be used by the Town for specific purposes but do not meet the criteria to be classified as committed. The governing council (council) has by resolution authorized the town manager to assign fund balance. The council may also assign fund balance, as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned fund balance – Unassigned fund balance is the residual classification for the General Fund.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenditures/Expenses

Program revenues – Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property taxes – Property taxes attach as an enforceable lien on real property and are levied as of July 1st. The tax levy is divided into two billings: the first billing (mailed on July 1) is an estimate of the current year's levy based on the prior year's taxes; the second billing (mailed on January 1) reflects adjustments to the current year's actual levy. The billings are considered past due 30 days after the respective tax billing date, at which time the applicable property is subject to lien, and penalties and interest are assessed.

Proprietary funds operating and nonoperating revenues and expenses – Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to the OPEB liability.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, July 1, 2026 and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements

GASB Statement No. 100, *Accounting Changes and Error Corrections*. This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). There were no significant impacts of implementing this Statement.

GASB Statement No. 101*, Compensated Absences.* The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. This Statement differs from the prior standards in that governments should recognize a liability for (1) all forms of compensated absences, not just vacation leave, sick leave, and similar types of leave; (2) leave that may be carried forward and used and paid for while still employed, in addition to leave that may be carried forward and paid for at the end of employment; (3) leave that is more likely than not (instead of probable) to be used, paid, or settled; and (4) parental leave, military leave, jury duty leave, and other types of compensated absences that depend upon the occurrence of a sporadic event that affects a relatively small proportion of employees, but not until the leave commences. The potential effect of implementing this Statement is to encompass compensated absences for which long-term liabilities previously were not recognized, including sick leave, which Town policy allows to be carried forward and used and paid for while still employed but not paid for at the end of employment.

GASB Statement No. 102*, Certain Risk Disclosures.* The objective of this Statement is to provide essential information about risks related to a government's vulnerabilities due to certain concentrations (a lack of diversification related to an aspect of a significant revenue source or expense) or constraints (limitations imposed externally or by formal action of a government's highest level of decision-making authority). A government is required to disclose information about such risks if a concentration or constraint (1) is known to the government before the financial statements are available to be issued, (2) makes the government vulnerable to the risk of a substantial impact, and (3) an event or events associated with the concentration or constraint that could cause the substantial impact has occurred, begun to occur, or is more likely than not to begin to occur within 12 months of the date the financial statements are available to be issued. There were no significant impacts of implementing this Statement.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

The Governmental Accounting Standards Board has issued Statements that will become effective in future years. These Statements are as follows:

GASB Statement No. 103, *Financial Reporting Model Improvements.* The objective of this Statement is to improve key components of the financial reporting blueprint to enhance its effectiveness in providing essential information and to address certain application issues. The Statement requires changes to management's discussion and analysis to make it easier to read and understand and to focus on explaining the reasons why balances and results of operation have changed. The Statement also provides more explicit definitions of operating and nonoperating revenues and expenses and changes the presentation of nonoperating revenues and expenses in the proprietary funds statement of revenues, expenses, and changes in fund net position. The new standards also (1) combine extraordinary items and special items into a single category, unusual or infrequent items, and clarify how they should be reported; (2) limits the reporting of major component unit information to the face of the government-wide financial statements, if it does not reduce their readability, or in combining financial statements following the fund financial statements; and (3) requires that budgetary comparisons be presented as required supplementary information, eliminating the option to present them as basic financial statements.

GASB Statement No. 104, *Disclosure of Certain Capital Assets.* The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. In addition to existing requirements regarding the level of detail with which notes to financial statements should disclose intangible right-to-use lease and subscription-based information technology arrangements (SBITA) assets, the Statement requires that (1) intangible right-to-use assets recognized by government operators in a public-public partnership should be disclosed by major class of underlying asset; (2) other types of intangible assets should be disclosed by major class; and (3) right-to-use assets should be disclosed separately from owned assets of the same type. The Statement also establishes that capital assets held for sale are those a government has decided to sell and whose sale within a year of the financial statement date is probable. Capital assets held for sale should be disclosed together with other capital assets of the same class. Governments also should disclose in notes the historical cost and accumulated depreciation (or amortization) of capital assets held for sale, as well as the carrying amount of debt for which they are pledged as collateral, by major class of asset for governmental and business-type activities.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

GASB Statement No. 105, *Subsequent Events.* The objective of this Statement is to enhance the consistency with which the standards for reporting subsequent events are applied, thereby better meeting the information needs of financial statement users. The Statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued (that is, when the financial statements are complete in a form and format that complies with generally accepted accounting principles and approvals necessary for issuance have been obtained), rather than the date the financial statements are issued. The date through which subsequent events have been evaluated should be disclosed. A recognized subsequent event provides evidence of conditions that existed at the financial statement date that inform accounting estimates reported as of the financial statement date and should be reflected in those estimates. A nonrecognized subsequent event results in a significant effect (favorable or unfavorable) that is recognized or disclosed in the basic financial statements in the reporting period in which the event occurs and is one of the following: a debt-related transaction; government combination or a disposal of government operations; a change to the legally separate entities that compose the financial reporting entity; or a transaction or other event that is of such a nature that disclosure is essential to a user's analysis for making decisions or assessing accountability. Governments will be required to disclose a description of the nonrecognized event and its effect and an estimate of the amount of the effect (or the reason why an estimate t cannot be made).

The Town is evaluating the requirements of the above Statements and the impact on reporting.

NOTE 2: DETAILED NOTES ON ALL FUNDS

Deposits and Investments

As of September 30, 2025, the Town's bank balances is covered by federal depository insurance (FDIC). Monies invested in amounts greater than the insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depositor, the State Treasurer will implement procedures for payment of losses according to the validated claims of the Town pursuant to Section 280.08, Florida Statutes.

The investment program is established in accordance with the Town's investment policy, pertinent bond resolutions and Section 218.45, Florida Statutes, which allows the Town to invest in the Florida State Board of Administration intergovernmental investment pool or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, direct obligations of the United States Government, obligations of the different agencies of the Federal Government, registered money market funds and accounts of state qualified public depositories.

The investing of public funds with the Florida State Board of Administration (SBA) - Local Government Surplus Funds Trust Fund is governed by Section 218.407, Florida Statutes. The SBA is under regulatory oversight of the State of Florida. The investment pool consists largely of corporate notes and commercial paper. On September 30, 2025, the Town had $169,572 invested. The fair value of the Town's position in the pool is equal to the value of the pooled shares or net asset value.

NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (Continued)

Under GASBC Section I50: *Investments*, if a participant has an investment in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost it should disclose the presence of any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool's authority to impose liquidity fees or redemption gates) in notes to the financial statements. As of September 30, 2025, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit the Town's access to 100 percent of their account value in either external investment pool.

Deposits available within various funds were consolidated for investment purposes. Interest earned was allocated to the various funds based on their average cash and investment balances.

Custodial credit risk – Custodial credit risk for deposits is the risk in the event of the failure of a depository financial institution a government may not be able to recover deposits. Monies placed on deposit with financial institutions in the form of demand deposits, time deposits or certificate of deposits are defined as public deposits. The financial institutions in which the Town places its deposits are certified as "qualified public depositories," as required under the Florida Security for Public Deposits Act. For an investment, this is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Interest rate risk – Interest rate risk is the possibility that interest rates will rise and reduce the fair value of an investment. The Town's investment policy limits interest rate risk by requiring that an attempt be made to match investment maturities with known cash needs and anticipated cash flow requirements. In addition, investments of current operating funds are required to have maturities of no longer than twelve months.

Credit risk – GASBC Section I50: *Investments* of the GASBC requires that governments provide information about credit risk associated with their investments by disclosing the credit rating of investments in debt securities as described by nationally recognized statistical rating organizations. The Town's investment policy limit investments to securities with specific ranking criteria.

Concentration risk – GASBC Section I50: *Investments* of the GASBC requires disclosures of investments in any one issuer that represents five percent or more of total investments, excluding investments issued or explicitly guaranteed by the U.S government, investments in mutual funds, external investments pools and other pooled investments. The Town's investment policy does not address concentration risk.

Fair Value – GASBC Section 3100: *Fair Value Measurements* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under the codification are described as follows:

NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

Deposits and Investments (continued)

Level 1 (L1): Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Town has the ability to access.

Level 2 (L2): Inputs to the valuation methodology include:
- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 (L3): Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following table sets forth by level, within the fair value hierarchy, the Town's assets at fair value as of September 30, 2025:

		Maturities (in years)			
	Fair Value	Less than One	One to Two	Greater than Two	Rating
State Investment Pool - Florida Prime	$ 169,572	$ 167,401	$ -	$ 2,171	AAAm
	$ 169,572	$ 167,401	$ -	$ 2,171	

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2025.

The State Pool (Florida PRIME) is an external investment pool that meets all of the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost. Therefore, the Town's investment in Florida PRIME is reported at amortized cost. The fair value of the position in the pool is equal to the value of the pool shares. September 30, 2025, there were no redemption fees or maximum transactions amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

Accounts Receivable

For the enterprise fund, operating revenues are generally recognized on the basis of cycle billings rendered monthly. All account receivables are shown net of allowances for uncollectable accounts. The accounts receivable and allowance for uncollectible accounts at September 30, 2025, were as follows:

NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

Accounts Receivable (continued)

	Accounts Receivable	Allowance for Uncollectible	Net
Enterprise Fund	$ 46,534	$ (3,500)	$ 43,034
Total	$ 46,534	$ (3,500)	$ 43,034

Capital Assets

The following is a summary of changes in capital assets during the year ended September 30, 2025:

For the year ended September 30, 2025	Beginning Balance	Increases	Decreases / Reclassification	Ending Balance
Governmental Activities				
Capital assets, not being depreciated				
Land	$ 189,839	$ -	$ -	$ 189,839
Capital assets, not being depreciated	189,839	-	-	189,839
Capital assets, being depreciated				
Buildings	977,198	-	-	977,198
Infrastructure	2,849,840	-	-	2,849,840
Furniture, equipment, and vehicles	952,314	10,595	-	962,909
Capital assets, being depreciated	4,779,352	10,595	-	4,789,947
Less accumulated depreciation for				
Buildings	(211,874)	(30,416)	(3,095)	(245,385)
Infrastructure	(927,982)	(78,868)	101,763	(905,087)
Furniture, equipment, and vehicles	(683,042)	(32,505)	(98,668)	(814,215)
Total accumulated depreciation	(1,822,898)	(141,789)	-	(1,964,687)
Total capital assets being depreciated, net	2,956,454	(131,194)	-	2,825,260
Governmental activities capital assets, net	$ 3,146,293	$(131,194)	-	3,015,099

NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets (continued)

The following is a summary of changes in capital assets during the year ended September 30, 2025:

For the year ended September 30, 2025	Beginning Balance	Increases	Decreases / Reclassification	Ending Balance
Business-Type Activities				
Capital assets, not being depreciated				
Land	$ 3,570	$ -	$ -	$ 3,570
Construction-in-progress	-	29,500	-	29,500
Capital assets, not being depreciated	3,570	29,500	-	33,070
Capital assets, being depreciated				
Buildings	1,100,606	-	-	1,100,606
Infrastructure	10,685,871	-	-	10,685,871
Furniture, equipment, and vehicles	302,283	-	-	302,283
Capital assets, being depreciated	12,088,760	-	-	12,088,760
Less accumulated depreciation for				
Buildings	(613,241)	(27,515)	-	(640,756)
Infrastructure	(2,936,479)	(230,436)	-	(3,166,915)
Furniture, equipment, and vehicles	(234,036)	(15,095)	-	(249,131)
Total accumulated depreciation	(3,783,756)	(273,046)	-	(4,056,802)
Total capital assets being depreciated, net	8,305,004	(273,046)	-	8,031,958
Business-type activities capital assets, net	$ 8,308,574	$ (243,546)	$ -	$ 8,065,028

NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets (continued)

Depreciation and amortization expense was allocated to the governmental functions in the statement of activities as follows:

For the year ended September 30,	2025
Governmental activities	
General government	$ 7,400
Public safety	40,626
Transportation	38,695
Economic environment	40,461
Culture & recreation	14,607
Total depreciation expense - governmental activities	$ 141,789
Business-type activities	273,046
Total depreciation and amortization expense - business-type activities	$ 273,046

Long-Term Debt and Liabilities

Notes Payable

The Town entered into an agreement with the Florida Department of Environmental Protection (FDEP) to fund its Inflow and Infiltration Correction Action Project. This agreement includes both loan and grant components. Total funding received under the agreement was $347,189, of which $292,160 was forgiven as a grant. The remaining balance of $55,029 was structed as a loan. The loan consists of two components: 1) $24,545 bearing interest at 1.15% and 2) $30,484 bearing interest at 1.10%. Repayment of the loan is required in semi-annual installments of $714.27, due on May 15 and November 15 each year. As of September 30, 2025, the principal outstanding on the note was $16,641.

The Town entered into an agreement with the Florida Department of Environmental Protection (FDEP) to fund an additional phase of its Inflow and Infiltration Correciton Action Project. This agreement includes both loan and grant components. Total funding received under the agreement was $3,519,258, of which $2,815,407 was forgiven as a grant. The remaining balance of $703,851 was structed as a loan. The loan carries no interest, however the Town was assessed service fees totaling $64,519.65. Repayment of the loan is required in semi-annual installments of $12,903.93, due on May 15 and November 15 each year. As of September 30, 2025, the principal outstanding on the note was $679,136.

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (continued)

Notes payable (Continued)

The Town entered into an agreement with the Florida Department of Environmental Protection (FDEP) to fund its construction of wastewater collection, treatment, and disposal facilities. This agreement includes a loan in the amount of $1,370,000. The loan carries an interest of 3.18%. Repayment of the loan is required in semi-annual installments of $16,434, due on March 31 and September 30 each year. As of September 30, 2025, the principal outstanding on the note was $204,748.

The Town entered into an agreement with the Florida Department of Environmental Protection (FDEP) to fund its planning to evaluate full scope of its water system needs. This agreement includes both loan and grant components. Total funding received under the agreement was $80,000, of which $40,000 was forgiven as a grant. The remaining balance of $40,000 was structured as a loan. The loan carries no interest, however the Town was assessed service fees totaling $3,500. Repayment of the loan is required in full, due on April 15, 2026. As of September 30, 2025, the principal outstanding on the note was $21,750.

The Town entered into a loan agreement with KS State Bank for a new fire truck for the fire department. Per the Agreement, the amount of the note payable is $130,000. Payments in the amount of $5,361 include interest of 4.083%, and are due quarterly. As of September 30, 2025, the principal outstanding on the note was $36,043.

The following is a summary of business-type activities notes payable for the year ended September 30, 2025:

	Business-type Activities			
For the years ending	FDEP note payable #1		FDEP note payable #2	
September 30,	Principal	Interest	Principal	Service Fee
2026	$ 1,246	$ 183	$ 25,808	$ -
2027	1,260	169	25,808	-
2028	1,274	155	25,808	-
2029	1,288	141	25,808	-
2030	1,301	128	25,808	-
2031-2035	6,702	443	129,040	-
2036-2040	3,570	27	129,040	-
2041-2045	-	-	129,040	-
2046-2050	-	-	129,040	-
2051-2052	-	-	33,936	-
Total	16,641	1,246	679,136	-
Current portion	(1,246)	(183)	(25,808)	-
Payable after one year	$ 15,395	$ 1,063	$ 653,328	$ -

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (continued)

Notes payable (Continued)

	Business-type Activities					
For the years ending	FDEP note payable #3		FDEP note payable #4		Total	
September 30,	Principal	Interest	Principal	Service Fee	Principal	Interest
2026	$ 26,564	$ 6,303	$ 21,750	$ -	$ 75,368	$ 6,486
2027	27,415	5,452	-	-	54,483	5,621
2028	28,280	4,587	-	-	55,362	4,742
2029	29,200	3,667	-	-	56,296	3,808
2030	30,136	2,731	-	-	57,245	2,859
2031-2035	63,153	2,500	-	-	198,895	2,943
2036-2040	-	-	-	-	132,610	27
2041-2045	-	-	-	-	129,040	-
2046-2050	-	-	-	-	129,040	-
2051-2052	-	-	-	-	33,936	-
Total	204,748	25,240	21,750	-	922,275	26,486
Current portion	(26,564)	(6,303)	(21,750)	-	(75,368)	(6,486)
Payable after one year	$ 178,184	$ 18,937	$ -	$ -	$ 846,907	$ 20,000

The following is a summary of governmental activities notes payable for the year ended September 30, 2025:

	Governmental Activities	
For the years ending	KS State Bank Note	
September 30,	Principal	Interest
2026	$ 20,282	$ 1,164
2027	15,761	323
Total	36,043	1,487
Current portion	(20,282)	(1,164)
Payable after one year	$ 15,761	$ 323

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (continued)

Bonds payable (Continued)

On November 1, 2001, the Town issued Water and Sewer Bonds Series A&B in the amount of $738,500 through the U.S. Department of Agriculutre for the purpose of providing permanent financing for the water and sewer project. The Bonds are secured by the gross revenues from the combined water and sewer system. The bonds mature annually on Jaunary 1 through September 1, 2041, including interest of 4.5%. A sinking fund is required by the bond ordinance to accumulate funds to meet principal and interest payments. Monthly deposits of one-twelfth of the annual payment are required. Within the sinking fund, a reserve account is also to be established and requires funding over a ten-year period of a "monthly reserve deposit amount" equal to 1/120th of the "maximum bond service requirement" or $41,665. Funding of the reserve may cease when the maximum bond service requirement is equaled or exceeded. As of September 30, 2025, the principal outstanding on the bond was $457,000.

The following is a summary of business-type activities bond payable for the year ended September 30, 2025:

	Business-type Activities			
For the years ending	Water and Sewer Bonds, Series 2001 A&B		Total	
September 30,	Principal	Interest	Principal	Interest
2026	$ 20,000	$ 20,565	$ 20,000	$ 20,565
2027	22,000	19,665	22,000	19,665
2028	22,000	18,675	22,000	18,675
2029	23,000	17,685	23,000	17,685
2030	24,000	16,650	24,000	16,650
2031-2035	139,000	65,835	139,000	65,835
2036-2040	169,000	31,770	169,000	31,770
2041	38,000	1,710	38,000	1,710
Total	457,000	192,555	457,000	192,555
Current portion	(20,000)	(20,565)	(20,000)	(20,565)
Payable after one year	$ 437,000	$ 171,990	$ 437,000	$ 171,990

Leases: Lessor

The Town accounts for leases in accordance with GASBC Section L20, *Leases*. The Town's operations consist of agreements for use of land. The agreements are made up of a non-cancelable agreement for land, which expire in 2035. The Town recognized $14,746 of lease revenue principal and $6,489 of lease interest for the year ended September 30, 2025.

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (continued)

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2025, was as follows for governemental activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Notes payable					
KS State Bank	$ 55,518	$ -	$ (19,475)	$ 36,043	$ 20,282
Total notes from direct borrowings	55,518	-	(19,475)	36,043	20,282
Compensated absences	16,380	8,583	(15,556)	9,407	2,352
Governmental activity long-term liabilities	$ 71,898	$ 8,583	$ (35,031)	$ 45,450	$ 22,634

Long-term liability activity for the year ended September 30, 2025, was as follows for business-type activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities					
Notes payable					
FDEP note payable #1	$ 17,876	$ -	$ 1,235	$ 16,641	$ 1,246
FDEP note payable #2	693,214	-	14,078	679,136	25,808
FDEP note payable #3	230,509	-	25,761	204,748	26,564
FDEP note payable #4	-	43,500	21,750	21,750	21,750
Total note payable	941,599	43,500	62,824	922,275	75,368
Bonds payable					
Water and Sewer Bonds, Series 2001 A&B	477,000	-	20,000	457,000	20,000
Total bonds payable	477,000	-	20,000	457,000	20,000
Compensated absences	11,539	13,321	10,914	13,946	3,486
Business-type activity long-term liabilities	$ 1,430,138	$ 56,821	$ 93,738	$ 1,393,221	$ 98,854

NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (continued)

Changes in Long-Term Liabilities

Notes payable will be liquidated in future periods primarily by the General Fund for governmental activities. Business-type activities outstanding notes will be liquidated by the respective enterprise fund.

Interfund Receivables, Payables and Transfers

Amounts due to the general fund represent reimbursements for administrative services incurred by the general government.

	Due From:	
Due To:	General Fund	Enterprise Fund
General Fund	$ -	$ 266,199
Enterprise Fund	-	-
Total	$ -	$ 266,199

Net Investment In Capital Assets

The elements of this calculation are as follows:

	Governmental Activities	Business-type Activities	Total
Capital assets (net)	$ 3,015,099	$ 8,065,028	$ 11,080,127
Outstanding debt related to capital assets	(36,043)	(1,379,275)	(1,415,318)
Net investment in capital assets	$ 2,979,056	$ 6,685,753	$ 9,664,809

NOTE 3: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

The Town of White Springs provides health insurance coverage to active employees. Pursuant to Florida Statute §112.0801, retired employees are eligible to participate in the Town's group health plan at the same premium rates as active employees. As of September 30, 2025, one active employee is eligible for post-employment health coverage. Retired employees are responsible for paying 100% of the applicable premium.

Note 3: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

The Town has measured its OPEB obligation using the Alternative Measurement Method permitted under GASB Statement No. 75 for plans with fewer than 100 members. The Net OPEB Liability, representing the present value of the implicit rate subsidy between group and projected individual market rates over the anticipated postretirement coverage period, is estimated at $19,409 as of September 30, 2025. Annual OPEB expense for the fiscal year is estimated at $2,233. Key actuarial assumptions include a discount rate of 3.81% (S&P Municipal Bond 20-Year High Grade Rate Index as of September 30, 2025), assumed retirement age of 62, a healthcare cost trend rate of 7.50%, and a post-retirement coverage period of three years (to Medicare eligibility at age 65).

Note 4: RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Town purchases separate commercial insurance coverage for workers' compensation, liability, and property damage. Coverage for workers' compensation and automobile claims are limited to the maximum liability exposure the Town faces under Florida statutes. Coverage for general liability claims is a maximum of $1,000,000 combined single limit.

The commercial insurance carried is a claims incurred policy for which the Town is covered for claims originating against the Town during the policy period. The amount of coverage is dependent on the date of the liability-imposing event. The Town has maintained continuous coverage and does not believe it has any exposure to events which occurred prior to the year ended September 30, 2025.

As of September 30, 2025, the Town has no outstanding claims incurred but not reported.

Note 5: COMMITMENTS AND CONTINGENCIES

During the ordinary course of its operation, the Town is party to various claims, legal actions, and complaints. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of counsel for the Town, the liabilities which may arise from such actions would not result in losses which would exceed the liability insurance limits in effect at the time the claim arose or otherwise materially affect the financial condition of the Town or results of activities.

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS

Town of White Springs, Florida
Budgetary Comparison Schedule – General Fund (Continued)

For the year ended September 30, 2025	Original Budget	Final Budget	Actual	Variances Positive (Negative) Original to Final Budget	Variances Positive (Negative) Final Budget to Actual
Revenues					
Taxes	$ 594,048	$ 594,048	$ 584,030	$ -	$ (10,018)
Licenses and permits	57,200	57,200	48,619	-	(8,581)
Intergovernmental	134,849	134,849	173,111	-	38,262
Charges for services	13,731	13,731	42,007	-	28,276
Miscellaneous revenue	12,000	12,000	19,487	-	7,487
Total revenues	811,828	811,828	867,254	-	55,426
Expenditures					
Current					
General government	385,481	385,481	676,241	-	(290,760)
Public safety	202,553	202,553	166,221	-	36,332
Economic environment	-	-	210,200	-	(210,200)
Transportation	156,319	156,319	254,785	-	(98,466)
Culture & recreation	11,300	11,300	68,858	-	(57,558)
Capital outlay	10,000	10,000	10,595	-	(595)
Debt service					
Principal	21,444	21,444	19,475	-	1,969
Interest	-	-	1,971	-	(1,971)
Total expenditures	401,616	401,616	732,105	-	(330,489)
Net change in fund balance	410,212	410,212	135,149	-	(275,063)
Fund balance, beginning of the year	1,066,520	1,066,520	1,066,520	-	-
Fund balance, end of year	$ 1,476,732	$ 1,476,732	$ 1,201,669	$ -	$ (275,063)

Note that this schedule is prepared on a budgetary basis, but is not different from Generally Accepted Accounting Principles (GAAP) in the presentation.

The original budget was not amended, therefore there are no differences between the original and final budget.

The Town significantly overspent their budgeted expenditures. This is mainly due to starting construction projects that will be reimbursed by grants, however, the projects were not included in the budget.

NOTE 1: BUDGETARY INFORMATION

The Town adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

a) Prior to the first day of August of each year, the Town manager prepares a proposed budget for the next succeeding fiscal year and submits it to the council. The recommended budget includes proposed expenditures and the sources of receipts to finance them.

b) Complete copies of the proposed budget are made available for public inspection. Public hearings are conducted to obtain taxpayers' comments.

c) The budget is enacted through passage of an ordinance and becomes the basis for the millage levied by the council.

d) The Town manager is authorized to transfer budgeted amounts between line items within a department; however, any revisions that alter the total expenditures of any department must be approved by the council. Expenditures may not exceed legal appropriations at the department level. All appropriations lapse at year end.

e) Formal budgetary integration is employed as a management control device during the year for the General Fund and all major, special revenue funds (if any). Formal budgetary integration is not employed for the Law Enforcement Education, Community Redevelopment, and Taylor Park Trust Funds, because effective budgetary control is alternatively achieved through expenditure eligibility provisions. Formal budget integration is also not employed for the Transportation Impact Fee Fund because projects are approved individually.

f) Budgets are legally adopted on a basis consistent with GAAP except for transfers, debt service, and certain intragovernment amounts.

g) The budgetary comparison schedule shown in the accompanying required supplementary information presents comparisons of the legally adopted budget, as amended, with actual results. The originally adopted budget is presented for purposes of comparison to the final, amended budget.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor
And Members of the Town Council
Town of White Springs, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of Town of White Springs, Florida (the "Town"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated July 1, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2025-01, 2025-02, and 2025-03 to be material weaknesses.

Town of White Springs, Florida's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, L.L.C.
Gainesville, FL
July 1, 2026

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

To the Honorable Mayor
And Members of the Town Council
Town of White Springs, Florida

We have examined compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, of the Town of White Springs, Florida (the "Town") for the year ended September 30, 2025. The Town's management is responsible for the Town's compliance with the specified requirements. Our responsibility is to express an opinion on the Town's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Town complied with the specified requirements referenced above, in all material respects. An examination involves performing procedures to obtain evidence about whether the Town complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination does not provide a legal determination on the Town's compliance with the specified requirements.

In our opinion, the Town complied with the aforementioned requirements for the year ended September 30, 2025, in all material respects.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

Gainesville, Florida
July 1, 2026

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MANAGEMENT LETTER

To the Honorable Mayor
And Members of the Town Council
Town of White Springs, Florida

Report on the Financial Statements

We have audited the financial statements of the Town of White Springs, Florida (the "Town") as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated July 1, 2026.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained *in Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General, *Local Government Entity Audits*.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Reports on examinations conducted in accordance with AICPA *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General, *Local Government Entity Audits*. Disclosures in those reports and schedules, which are dated July 1, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report.

Tabulation of Uncorrected Audit Findings		
Current year Finding No.	2023-24 FY Finding No.	2022-23 FY Finding No.
2025-001	2024-001	2023-001
2025-002		
2025-003		

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Town met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Town did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Town. It is management's responsibility to monitor the Town's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations outside of the stated findings.

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, the Town states as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did not operate within the Town's geographical boundaries during the fiscal year under audit.

As required by Section 10.554(1)(i)6.b., Rules of the Auditor General, if a PACE program was operating within the geographical areas of the Town, a list of all program administrators and third-party administrators that administered the program would be included.

As required by Section 10.554(1)(i)6.c., Rules of the Auditor General, if a PACE program was operating within the geographical areas of the Town, the full names and contact information of each such program administrator and third-party administrator would be included.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Town and its management, and appropriate audit agencies and is not intended to be and should not be used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of the audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

Carr, Riggs & Ingram, L.L.C.

Gainesville, Florida
July 1, 2026

2025-001 Capital Asset Tracking and Review (In excess of second year)

During our audit we found that the system for tracking capital assets was not sufficient to ensure control over the assets. A physical counts of capital assets as required by rule 691-73.006 of the Florida Administrative Code has not been conducted. The listing of assets included several old assets that were no longer in service and there were numerous older assets that were fully depreciated which require review to determine whether they are still in service.

2025-002 Internal Controls Not Functioning Appropriately

During our audit we found that internal controls over significant audit areas were not being performed consistently. Material adjustments were necessary for account payable and other liabilities. Review of bank reconciliations, journal entries, and year-end close procedures are not performed. This raises the risk of misappropriation of public funds or material misstatement due to intentional fraud or unintentional human error.

2025-003 Expenditures Exceeded Appropriations

During our audit of the General Fund, we noted that actual expenditures exceeded the final budgeted appropriations. This violates State Statute and the Town Charter which requires that expenditures do not exceed authorized appropriations.

TOWN OF WHITE SPRINGS
"On the Banks of the Suwannee River"

July 1, 2026

General Management Response:

The Town acknowledges the findings identified in this audit and recognizes that significant work remains to strengthen its financial management, internal controls, and compliance practices. During the audit period, the Town experienced substantial organizational transition, including changes in elected leadership and key administrative personnel, while simultaneously working to address prior audit findings and operational deficiencies.

The Town has adopted numerous policies and procedures designed to improve governance, financial reporting, and internal controls. While these measures established an important framework for compliance, the Town recognizes that implementation has not been completed in all areas and that several procedures have not yet been consistently incorporated into daily operations. The Town remains committed to moving beyond policy adoption to consistent implementation, documentation, oversight, accountability, and continuous improvement.

The Town recognizes that long-term success depends not only upon adopting sound policies, but also upon assigning clear responsibilities, investing in staff development, documenting compliance, and establishing systems that ensure consistent execution regardless of changes in personnel.

The Town views this audit as an opportunity to continue strengthening its operations, improve compliance with applicable laws and accounting standards, and restore public confidence through transparency and measurable corrective action.

Finding 2025-001 - Capital Asset Tracking and Review

Management's Response:

The Town acknowledges the finding. Due to turnover in key personnel during the audit period, it is unknown what efforts were made to improve the Town's capital asset records and inventory process.

Management intends to conduct a comprehensive physical inventory, reconcile the results to the accounting records, update the capital asset schedule as appropriate, and establish procedures to ensure annual inventories are completed and documented in accordance with Rule 69I-73.006, Florida Administrative Code.

Finding 2025-002 - Internal Controls Not Functioning Appropriately

Management's Response:

The Town acknowledges the finding. During the audit period, the Town experienced significant turnover in key leadership positions, including the Town Manager, Town Clerk, and Town Council, which adversely affected continuity of operations and the consistent performance of internal control procedures.

Although the Town subsequently adopted numerous financial policies and governance procedures designed to strengthen internal controls, implementation has been uneven and several procedures have not yet been consistently incorporated into daily operations. The Town recognizes that adopting policies alone is insufficient; effective implementation, ongoing monitoring, and documented compliance are necessary to achieve meaningful improvements.

The Town is committed to strengthening its internal control environment through continued implementation of its adopted policies, clearly assigning operational responsibilities, providing additional staff training, improving financial oversight, and periodically reviewing compliance to ensure these controls become an integrated part of the Town's day-to-day operations.

Finding 2025-003 - Expenditures Exceeded Appropriations

Management's Response:

The Town acknowledges the finding. During the fiscal year, the Town incurred significant nonrecurring expenditures associated with organizational transition, corrective actions addressing previously identified operational and financial deficiencies, deferred maintenance, and grant-funded projects. While many of these expenditures were necessary to stabilize Town operations and address existing issues, the Town recognizes that budget appropriations should have been formally amended before expenditures exceeded authorized amounts.

The Town has implemented enhanced budget monitoring procedures, including periodic budget-to-actual reviews, improved financial reporting, and increased coordination between management, the Town's financial consultant, and the Town Council. Going forward, the Town will ensure that anticipated budget overruns are identified timely and that appropriate budget amendments are presented to the Town Council for approval before expenditures exceed authorized appropriations.

ELMON LEE GARNER
TOWN MANAGER

ROBERT GAMSBY
AUDIT COMMITTEE CHAIRMAN